



MONTANA UNIVERSITY SYSTEM
Office of the Commissioner of Higher Education

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TO: Amy Carlson
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FROM: Mick Robinson
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DATE: September 5, 2014

SUBJECT: Report to the Legislative Finance Committee: FY 14 Montana University System Inter-Entity Loans [17-2-107(5), MCA]

Inter-Entity Loans Authorized to the Same Fund for 2 consecutive fiscal years

Loans to the Restricted Funds – The University of Montana-Missoula, Montana State University-Bozeman, Montana Tech of the University of Montana, and University of Montana-Western have inter-entity loans in the restricted fund. Restricted funds account for sponsored activity, such as research or specific federal grants or contracts. Sponsored grants and contracts expenditures are generally made in advance of the cost reimbursement. An inter-entity loan bridges the timing of the expenditures and the subsequent receipt of cash from the sponsoring agency to help maintain a positive cash balance. Because of the recurring nature of reimbursement grant expenditures, inter-entity loans are used throughout the year. The outstanding loans to the restricted fund at fiscal year-end 2014, for each of these campuses, are shown on the attached worksheet as items 1 through 4.

Loans to Other Funds – Montana State University-Bozeman and Montana State University-Northern have outstanding loans to address MSU-Northern's operating loss in the Auxiliary fund. This loan is noted item 5 on the attached worksheet.

**MONTANA UNIVERSITY SYSTEM INTER-ENTITY LOANS/ADVANCES AUTHORIZED TO THE SAME FUND FOR 2 FISCAL YEARS
FYE 2014**

Item	Unit	Fund	Fund Type	Purpose of Loan	FYE 14	
					Payable	Receivable
1	University of Montana	32100 33100	Restricted Designated	Grants & Contracts timing of reimbursements	\$ 5,850,000	\$ 5,850,000
2	Montana State University	32200 33200	Restricted Designated		\$ 7,825,000	\$ 7,825,000
3	Montana Tech	32500 33500	Restricted Designated		\$ 750,000	\$ 750,000
4	University of Montana - Western	32600 33600	Restricted Designated		\$ 80,000	\$ 80,000
5	Montana State University - Northern	34401 33401 33200	Auxiliary MSU Northern Designated MSU Bozeman Designated	Auxiliary Operating Loss- The campus has implemented steps to improve Auxiliary Operations	\$ 415,000	\$ 340,000 \$ 75,000